

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2061 - HB 2004**

February 28, 2014

**SUMMARY OF BILL:** Requires that an amount of \$1,000,000 be provided to the beneficiary of any emergency medical service worker or a 911 operator who is killed in the line of duty. To receive such sum, the EMS worker or operator must have been current in required training and physical exams when the incident occurred. Such payment shall be made from the General Fund after the Department of Finance and Administration receives a certified death certificate and affidavit form the decedent's employer that such decedent was killed in the line of duty. Increases the current death benefit, from \$25,000 to \$100,000, for any firefighter, volunteer firefighter, or law enforcement officer who is killed in the line of duty and is current in required training and any necessary physical exam at the time the incident occurs. Requires the Department of Finance and Administration to create a reserve fund for the purpose disbursing death benefits. Any funds remaining in the fund at fiscal year-end will carry over to the following year and will not revert to the General Fund. This bill will take effect on July 1, 2014.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$5,950,000/Death Benefit Fund**

**Increase State Expenditures - \$5,950,000/General Fund  
\$2,950,000/Death Benefit Fund**

**Assumptions:**

- The Department of Finance and Administration will create a fund (DBF) for such disbursements of death benefits. Any amount remaining at year-end will remain in the DBF.
- The bill asserts that any death benefit for an EMS worker or a 911 operator will be paid from the general fund, but does not include the source of such benefit for firefighters, volunteer firefighters or police officers.
- It is assumed that all death benefits will be funded by General Fund dollars and paid out of the DBF.
- According to the Department of Commerce and Insurance (DCI), the current budgets of the Peace Officer Standards Commission (POST) and the Fire Prevention Division include death benefit amounts for 4 law police officer or \$100,000 (4 officers x \$25,000) and \$50,000 (\$2 x \$25,000) for 2 firefighter benefits per year, for a total of \$150,000.

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Currently, any unused amount of the Commission or Division reverts back to the General Fund at years end.

- Increasing the amount of a single benefit by \$975,000 (\$1,000,000 - \$25,000) will result in increase in state general fund allocations of \$5,850,000 (6 x \$975,000).
- According to DCI, 12 firefighters and police officers have died since FY08-09 or approximately 3 per year, which resulted in expenditures of \$75,000 (3 x \$25,000). The remaining \$75,000 (\$150,000 - \$75,000) has been reverting to the General Fund.
- Increasing the benefit for current applicable beneficiaries will result in an increase in state expenditures of \$2,850,000 [(3 x \$975,000) - (3 x \$25,000)].
- It is estimated that one EMS worker or one 911 operator will be killed in the line of duty every 10 years, resulting in an increase in state expenditures to the reserve fund of \$1,000,000. Annualized, this is an increase in approximately \$100,000 in state expenditures per year (\$1,000,000 / 10 years).
- There will be an approximate annual increase in general fund allocations to the DBF of \$5,950,000 (\$5,850,000 + \$100,000).
- There will be an approximate increase in expenditures from the DBF of \$2,950,000 (\$2,850,000 + \$100,000).

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb